

House File 2100 - Introduced

HOUSE FILE 2100

BY HEATON

A BILL FOR

1 An Act relating to electric utility rates applicable to net
2 metering agreements.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476.42, Code 2016, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 2A. "*Net metering*" means the
4 interconnection of an alternate energy production facility
5 or small hydro facility with an electric utility whereby
6 electricity produced by the facility and consumed on site
7 offsets electricity that would otherwise be purchased from
8 the electric utility, and excess electricity produced by the
9 facility is transferred to the utility's electrical grid.

10 Sec. 2. Section 476.43, subsection 2, Code 2016, is amended
11 to read as follows:

12 2. Upon application by the owner or operator of an alternate
13 energy production facility or small hydro facility or any
14 interested party, and subject to subsection 5A, the board shall
15 establish for the affected public utility just and economically
16 reasonable rates for electricity purchased under subsection
17 1, paragraph "a". The rates shall be established at levels
18 sufficient to stimulate the development of alternate energy
19 production and small hydro facilities in Iowa and to encourage
20 the continuation of existing capacity from those facilities.

21 Sec. 3. Section 476.43, Code 2016, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 5A. a. A rate-regulated electric utility
24 that purchases electricity from an alternate energy production
25 facility or small hydro facility pursuant to a net metering
26 agreement shall compensate the facility at a rate that is
27 based upon, and does not exceed, the rate applicable to
28 the rate-regulated electric utility's wholesale purchase of
29 electricity.

30 b. Net metering agreements entered into prior to July 1,
31 2016, with an applicable rate that exceeds the rate-regulated
32 electric utility's wholesale rate shall be subject to a
33 graduated rate reduction whereby the difference between the
34 applicable rate in the agreement and the wholesale rate shall
35 be reduced by twenty-five percent annually over a four-year

1 period.

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EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill restricts rates applicable to a net metering
6 agreement between an alternate energy production facility or
7 small hydro facility and a rate-regulated electric utility to a
8 level that does not exceed the utility's wholesale rates.

9 The bill defines "net metering" as the interconnection of an
10 alternate energy production facility or small hydro facility
11 with an electric utility whereby electricity produced by the
12 facility and consumed on site offsets electricity that would
13 otherwise be purchased from the electric utility, and excess
14 electricity produced by the facility is transferred to the
15 utility's electrical grid.

16 The bill provides that net metering agreements in existence
17 prior to July 1, 2016, with an applicable rate that exceeds
18 the rate-regulated electric utility's wholesale rate shall be
19 subject to a graduated rate reduction whereby the difference
20 between the applicable rate in the agreement and the wholesale
21 rate shall be reduced by 25 percent each year over a four-year
22 period.